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NORTH CAROLINA

WAKE COUNTY

2012 Jan 12 M 10: 11

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
11 CVS 19419

THE POINT CSC	
THE NORTH CAROLINA STATE BAR, Petitioner)) Order of Preliminary Injunction
v.	
BAMBI F. WALTERS, Attorney, Respondent)))

THIS MATTER came on to be heard and was heard by the undersigned Judge of Superior Court of Wake County pursuant to a motion for temporary restraining order and petition for preliminary injunction filed by the North Carolina State Bar. Petitioner, the North Carolina State Bar was represented by Brian P.D. Oten. Respondent, Bambi F. Walters, represented herself. Based upon the verified petition and motion with attachments and the evidence introduced at the hearing, the Court makes the following:

FINDINGS OF FACT

- 1. Respondent, Bambi F. Walters, was licensed to practice law in North Carolina on 18 March 2000.
- 2. Walters's address of record on file with the North Carolina State Bar is 5112 Shoreline Court, Williamsburg, Virginia, 23185.
- 3. On 7 September 2010, the North Carolina State Bar served Walters with a Subpoena for Cause Audit in grievance file no. 10G0877. The subpoena directed Walters to produce certain records related to her attorney trust account on or before 30 September 2010. Walters subsequently authorized the State Bar to obtain the requested records directly from her bank.
- 4. The State Bar's preliminary investigation of Walters's trust account records indicates that Walters mishandled client funds that were deposited into her attorney trust account and has failed to comply with the provisions of Rules 1.15-2 & 1.15-3 of the Rules of Professional Conduct regarding handling entrusted funds and trust account management. Specifically:
 - a. On 8 December 2009, Walters wrote a check from her trust account in the amount of \$3,000.00 to herself. On 23 December 2009, Walters wrote another check from her trust account in the amount of \$3,000.00 to "cash." Walters failed to attribute the funds withdrawn from the trust account to a particular client.

- b. Walters deposited the checks identified in paragraph (a) above into her firm's operating account.
- c. Walters was not entitled to the funds withdrawn as reflected in paragraph (a) above.
- d. In January 2010, Walters reimbursed her trust account by depositing \$6,000.00 from her firm's operating account in her trust account.
- e. The \$6,000.00 deposited in her firm's operating account as described in paragraphs (a) & (b) above prevented Walters's operating account from overdrawing in December 2009 and January 2010 and enabled Walters to make various personal and/or business-related payments that she would not have otherwise been able to make.
- 5. The foregoing facts establish that Walters has mishandled entrusted funds in violation of the Rules of Professional Conduct.
- 6. A need for prompt action exists to ensure that additional client funds are not mishandled to their detriment.

Based upon the foregoing Findings of Fact, the Court makes the following

CONCLUSIONS OF LAW

- 1. Prompt action, pursuant to N.C. Gen. Stat. § 84-28(f), is necessary to preserve the status quo while the State Bar conducts an analysis of Walters's trust and operating accounts and to ensure that client funds are not mishandled.
- 2. Walters should be enjoined from accepting any further funds from or on behalf of clients or other individuals in a fiduciary capacity, from writing checks against any account in which client or fiduciary funds have been deposited, and from directing or permitting any employee or agent to withdraw funds from and/or to draw any checks or other instruments upon any account in which client or fiduciary funds have been deposited until and unless expressly permitted by subsequent orders of the Court.
- 3. To assist the State Bar's analysis of her trust and operating accounts, Walters should provide the State Bar with records of all accounts in which client or fiduciary funds have been deposited and with all client files requested by the State Bar as set forth below.
- 4. Walters should not be permitted to serve in any fiduciary capacity, including trustee, escrow agent, personal representative, executor or attorney-in-fact until further order of this Court.

THEREFORE, IT IS HEREBY ORDERED:

- 1. Bambi F. Walters is enjoined from accepting or receiving any funds from clients or third parties in a fiduciary capacity, from withdrawing any funds from and/or drawing any checks or other instruments against any account in which client or fiduciary funds have been deposited and from directing or permitting any employee or agent to withdraw funds from and/or to draw any checks or other instruments upon any account in which client or fiduciary funds have been deposited until and unless expressly permitted by subsequent orders of the Court.
- 2. Walters or any other person having custody or control of records relating to any account into which client or fiduciary funds have been deposited shall immediately produce to the North Carolina State Bar for inspection and copying all of Walters's financial records relating to any account into which client or fiduciary funds have been deposited, including, but not limited to bank statements, canceled checks, deposit slips, client ledger cards, check stubs, debit memos and any other records relating to the receipt and disbursement of client and/or fiduciary funds.
- 3. Walters or any other person having custody or control over records relating to persons or entities for whom Walters or Walters's law firm has provided legal services shall produce to the North Carolina State Bar for inspection and copying all records and documents relating to each such person or entity including but not limited to client files, billing statements, memoranda and receipts. Documents relating to current clients shall be produced within 24 hours of demand by the State Bar. Documents relating to closed client files shall be produced within 3 days of demand by the State Bar.
- 4. If Walters does not have possession of the minimum records required to be maintained regarding trust and fiduciary funds pursuant to Rule 1.15-3 of the Rules of Professional Conduct, she shall direct the bank(s) where her bank account(s) are maintained, within 10 days of the date of this order, to copy and transmit any such missing records directly to the North Carolina State Bar at Walters's expense.
- 5. Walters shall not serve in any fiduciary capacity, including trustee, escrow agent, personal representative, executor or attorney-in-fact until and unless she is permitted to do so by order of this Court.
- 6. This Order of Preliminary Injunction shall remain in effect until further order of this Court.

THIS the 12 day of Vandury, 2012.

Superior Court Judge Presiding